

ORIGINAL

FILED IN THE  
UNITED STATES DISTRICT COURT  
DISTRICT OF HAWAII

APR 03 2008

at 3 o'clock and 55 min. P.M.  
SUE BEITIA, CLERK

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LODGED

Attorney for Defendants  
SULLIVAN PROPERTIES, INC. and  
ROBERT B. SULLIVAN

APR 01 2008  
CLERK, U.S. DISTRICT COURT  
DISTRICT OF HAWAII

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Attorneys for Plaintiff-Appellee  
SCOTTSDALE INSURANCE COMPANY

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF HAWAII

SCOTTSDALE INSURANCE  
COMPANY,

Plaintiff,

v.

SULLIVAN PROPERTIES, INC.;  
ROBERT B. SULLIVAN; MAUI  
LAND & PINEAPPLE COMPANY,  
INC.; AND KAPALUA LAND  
COMPANY, LTD.; AND DOES 1  
THROUGH 10, inclusive

Defendants.

CIVIL CASE NO: CV-04-00550 HG BMK  
(Declaratory Relief)

[Assigned to the Hon. Helen Gillmor]

STIPULATION TO DISCHARGE  
SUPERSEDEAS BOND

Bond No. 104968130

Selman Breitman LLP  
ATTORNEYS AT LAW

1 Plaintiff Scottsdale Insurance Company ("Scottsdale") and defendants  
 2 Sullivan Properties, Inc., and Robert B. Sullivan (collectively "Sullivan  
 3 defendants"), by and through their respective counsel of record, hereby stipulate as  
 4 follows:

5 1. On or about August 7, 2007, this Court granted summary judgment in  
 6 Scottsdale's favor.

7 2. On or around September 7, 2007, the Sullivan defendants appealed the  
 8 judgment.

9 3. On or around January 31, 2008, the parties reached a settlement  
 10 agreement whereby the Sullivan defendants, collectively, agreed to pay Scottsdale  
 11 the sum of One Hundred Thousand United States dollars (\$100,000.00).

12 4. All claims are being dismissed with prejudice pursuant to the  
 13 settlement agreement.

14 5. The Supersedeas Bond obligations have been discharged and the  
 15 Supersedeas Bond is no longer required and should be released.

16 6. Therefore, the parties hereby stipulate to discharge, release and  
 17 exonerate Supersedeas Bond Number **104968130** ("Supersedeas Bond") posted at  
 18 the request of the Principals, the Sullivan defendants, in connection with Civil Case  
 19 No. CV-04-00550 HG BMK by Travelers Casualty and Surety Company of  
 20 America ("Travelers") as Surety, in the amount of Two-Hundred Twenty-One  
 21 Thousand, Seven Hundred Twenty-Nine and 61/100 United States Dollars  
 22 (\$221,729.61).

23 7. Upon discharge of the Supersedeas Bond, Scottsdale's settlement will  
 24 be fully funded from the money paid by Sullivan Properties to Travelers as Surety.

25 8. Upon discharge of the Supersedeas Bond, Travelers, as Surety, is to  
 26 disburse One Hundred Ten Thousand, Eight Hundred and Sixty Four and 80/100  
 27 United States dollars (\$110,864.80) to the trust account of Kessner Umebayashi  
 28 Bain & Matsunaga ("KUBM"), the law firm which represents the Sullivan

Selman Breitman LLP  
ATTORNEYS AT LAW

defendants by and through their attorney, Michele-Lynn E. Luke.

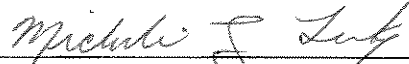
9. The parties hereby consent and agree that upon receipt of Sullivan Properties' collateral from Travelers to the trust account of KUBM, KUBM will write a check made payable to Scottsdale in the sum of One Hundred Thousand United States dollars (\$100,000.00) to satisfy the settlement agreement.

10. The parties hereby consent and agree to the entry of an Order by this Court discharging the Supersedeas Bond and releasing Travelers and its parents, affiliates and subsidiaries from any and all past, present, and future liability arising under or in connection with the issuance of the Supersedeas Bond.

WHEREFORE for the foregoing reasons, the parties through their undersigned counsel pray this Honorable Court enter an Order fully and unconditionally discharging, releasing and exonerating the Supersedeas Bond and releasing Travelers from any and all past, present and future liability arising under or in connection with the issuance of the Supersedeas Bond.

DATED: March 31, 2008

Respectfully submitted,  
KESSNER UMEBAYASHI BAIN &  
MATSUNAGA


  
By: MICHELE-LYNN E. LUKE  
Attorneys for Defendants-Appellants  
SULLIVAN PROPERTIES, INC. and  
ROBERT B. SULLIVAN

DATED: March 31, 2008

Respectfully submitted,  
SELMAN BREITMAN LLP

APPROVED AND SO ORDERED:

  
UNITED STATES DISTRICT JUDGE

  
By: ALAN B. YUTER  
RACHEL E. HOBBS  
Attorneys for Plaintiff-Appellee  
SCOTTSDALE INSURANCE  
COMPANY